

## **System Leadership Council: March 9 Meeting Summary**

### ***General Business***

- The following members attended the fourth meeting of the System Leadership Council:

Janet Areson	Paul R. Gilding	Raymond R. Ratke
H. Lynn Chenault	Richard E. Kellogg	Julie A. Stanley
Charline A. Davidson	Larry L. Latham, Ph.D.	James W. Stewart, III
Judy Dudley	Dean Lynch	Frank L. Tetrick, III
James Evans, M.D.	Arne Owens	James A. Thur

The following individuals also attended the meeting: James Martinez, representing Cathleen J. Newbanks; Arne Owens; and Jack Thomassen, representing Jules J. Modlinski, Ph.D.

- Council members reviewed the December meeting summary and made no changes in it.
- Jim Thur discussed a concern about Medicaid rates, which he indicated have not kept pace with the cost of doing business. He observed that this issue has moved from a nagging problem to a crisis. It is causing staff recruitment and retention problems, and he suggested discussing it at the Council's next meeting.
- Richard Kellogg introduced Arne Owens, the Department's Deputy Commissioner for Public Affairs and Policy Analysis, and described his background.
- Jim Stewart reported to the Council that the VACSB/VALHSO Performance Contract Work Group had a very productive meeting with the Department on March 8.

### ***Aftercare Pharmacy***

- The Commissioner provided an overview of aftercare pharmacy budget issues. The Department is reasonably sure that, within the framework of the state budget process, it will be able to cover the increased aftercare pharmacy costs in State Fiscal Year (SFY) 2001 by recovering unexpended balances of SFY 2000 state funds from the CSBs. However, depending on the outcome of the budget deliberations, there could be a problem with aftercare pharmacy funding next year. He indicated that he has not been asked to identify any balances for next year.
- The Department supported the aftercare pharmacy study that was proposed at the recent General Assembly session. However, the Commissioner cautioned that there are many aftercare pharmacy issues that relate to how consumers are treated. Great diversity and a lack of standardized practices exist across the services system.
- Larry Latham observed that Central State Hospital (CSH) is needing to use both atypical and older, traditional anti-psychotic medications with the same patients, so that potential cost offsets are not being realized for many patients. He suggested this might be related to the severe disabilities experienced by many CSH patients.
- Dr. Evans responded that inpatient and outpatient clinical practices regarding medications are different. For example, Haldol is used initially because it works quickly.

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- He noted that the Medications Committee has been the focal point of discussions among the Department, CSBs, and the Aftercare Pharmacy.
  - The Medications Committee includes CSB Medical Directors and representatives of the Department's Central Office, the National Alliance for the Mentally Ill - Virginia, and drug companies.
  - There are currently about 15,000 consumers receiving medications from the Aftercare Pharmacy, mostly in communities.
  - At its last meeting, the Committee discussed a more formal approach for introducing new medications into the aftercare pharmacy formulary. In fact, the Committee approved a new drug at that meeting.
  - The Committee will move from meeting quarterly to meeting every two months.
  - He discussed the Texas algorithm, which he described in a recent letter to CSBs, and noted that it was not an attempt to limit the use of medications. He noted that, while it is reasonable to consider cost, each clinician must be able to decide which drugs to start patients on.
  - Dr. Evans indicated that the duties of the Medications Committee would be defined more completely, in response to Val Marsh's comments to the General Assembly.
- The Commissioner indicated that he was impressed with the quality of the Medications Committee's work. He noted at the last Medications Committee meeting that the Department would support a comprehensive aftercare pharmacy study, with or without the General Assembly resolution, if the Committee wanted to engage in one. He suggested that the study should look at standardized practices.
- Increased standardization of medical care could be an outcome of this study. The Commissioner observed that there may be no downside to an algorithmic approach; there would still be enough flexibility for clinicians to make prescribing decisions based on consumer needs.
- Jim Stewart noted that, in his area, standardization between CSBs and state facilities was less important than linkages with community acute care providers. He suggested that there should be more emphasis on standardization of practices in general, regardless of the site (e.g., state facilities, community services, community inpatient programs).
- The Commissioner indicated his purpose in raising the aftercare pharmacy study was to get some sense from the Council about doing a study. **He asked the CSB representatives on the Council to assess the sense of interest or commitment among CSBs about an aftercare pharmacy study before the next meeting and provide feedback to him about it.**
- Jim Stewart urged that a study focus on increased knowledge, availability of medications, and availability of psychiatrists.
- The Council supported conducting a quick, simple (one page) survey of what issues should be addressed in an aftercare pharmacy study.

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- Dr. Evans suggested that he might have some unused psychiatrist stipend funds available that could support a symposium on evidence-based clinical outcomes.

### ***New Psychiatrist Funding***

- A table summarizing the allocations of new funds to CSBs for additional psychiatric services was distributed. In SFY 2001, \$850,000 has been allocated, \$500,000 of state funds and \$350,000 of federal mental health funds. CSBs project that these funds, together with other revenues some CSBs identified, would support a total of 7.59 additional FTEs and provide psychiatric services to 3,640 consumers.
- In SFY 2002, \$1,350,000 of state and federal funds will be allocated. CSBs project that these funds, together with other revenues some CSBs identified, will support a total of 11.87 additional FTEs and provide psychiatric services to 5,172 consumers. Note that these figures included the FTEs and consumers projected in SFY 2001.
- The Commissioner praised the creative efforts of CSBs regarding the use of these funds. He noted that the proposals offer a good impact for a relatively small amount of money.
- He also indicated that he wants to add a psychiatrist to Dr. Evans' office to work with the community on medical and psychiatric issues.

### ***Budget Update***

- The Commissioner discussed the budget situation as of the date of the Council meeting. He noted that \$7.5 million of productivity savings in the current year's budget have been identified and taken. He indicated that \$9 million of executive management savings that are included in the proposed budget for SFY 2002 may not be taken. These savings were the source of funds for some new human services initiatives proposed in the Governor's budget.
- For example, the introduced budget bill included \$20 million for additional MR Waiver services in SFY 2002. However, unless the budget impasse is resolved, these funds will not be available, since they are not in the current Appropriation Act that was passed by the General Assembly last year.
- The Governor has consistently spared the health and human services area, except for capital outlay projects, from reductions as much as possible. All capital projects are on hold, unless they are already contracted or address life safety issues.
- For instance, community services and direct care in state facilities have been exempted from any reductions. Also, it appears that there will be no further savings taken from state facility budgets.
- However, \$12.5 is needed in the current fiscal year for Medicaid match for state facility services. Without this match, \$27 million would be lost for services. The Department has been asked to supply that match. That match shortfall and the pharmacy shortfall are the reasons for the memo recovering the rest of the CSB unexpended SFY 2000 state fund balances. The Commissioner

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noted that he was not going to not pay for medications or reduce needed services in state facilities due to insufficient match.

- The Commissioner remarked that the CSB pay raise is not in the budget now, which is based on the 2000 Appropriation Act passed last year. He suggested it would not be prudent for CSBs to project pay raises based on state general funds in their next year's budgets.
- He discussed the Senate budget language regarding reallocating unobligated CSB state funds during the year. He noted that the CSB system is viewed as a mature system and that the General Assembly views all funds as state monies (e.g., Medicaid). This view also means that it will be more likely in the future that state balances will be viewed as available for redeployment during the legislative budgeting process. Also, it is not helpful for some CSBs to continue referring to state fund match for Medicaid as the CSBs' money.
- The Commissioner indicated that if Medicaid audits for services rendered before July 1, 2000 determine that CSBs have paybacks, they will have to pay back only the federal share, not the state fund match.

### ***Restructuring Plan and Legislative Update***

- The Commissioner discussed the status of the restructuring plan briefly. He praised Delegate MacDonnell's work on the restructuring bill and noted that the major provisions in the bill were included in a Senate budget amendment.
- If there is a budget impasse and the Senate amendment is not enacted, there are still provisions in the licensing bill regarding community gero-psychiatric residential services, an important feature in the restructuring plan, bill, and budget language. The Commissioner noted that the licensing bill's prospects for passage looked good, and he thanked the CSBs for their support of the bill.
- He indicated that the Department is interested in working with the stakeholders in the Southern Virginia Mental Health Institute region on implementing some parts of the proposal, if resources are available, such as community education and some individual discharge assistance project plans.
- The Commissioner suggested that there is still some interest in restructuring proposals for Eastern State Hospital. The land remains valuable, and the proposals developed for ESH, such as acute services in the community and a gero-psychiatric initiative, are still viable.
- The proposal to convert Northern Virginia Mental Health Institute into an extended rehabilitation services facility, with all acute care provided in the community, also remains a viable concept. However, it will have to evolve over time, since there are no resources now to support it.
- The Commissioner observed that the system should retain some geriatric psychiatric beds and that Catawba was a geographic linchpin for services in southwest Virginia.
- He suggested that the restructuring plan concept for the Commonwealth Center for Children and

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Adolescents (formerly the DeJarnette Center) still has potential utility, but the Department would need to meet with local governments about what makes sense regarding a Comprehensive Services Act role for CCCA. The plan's concept was to transform CCCA's mission into being a focal point for CSA services. He noted that if CSA paid for its services, this would have fed up \$5.5 million in CCCA's budget for CSB child and adolescent services.

- He indicated that the Department recognized the need for cost inflators for the diversion and acute care projects.

### ***MR Waiver Developments***

- The Commissioner noted that DMAS is confirming the role of CSBs as case managers, with local control of waiting lists.
- Jim Thur indicated that the Wavier Committee was looking at the New Jersey model, which allows for local control of waiting lists.
- The Commissioner praised Joan Pine and the other CSB representatives on the Committee for doing a good job.

### ***Comprehensive State Plan Update***

- Charline Davidson reviewed the State Facility Waiting List first quarter submissions by the CSBs. The Department views this first submission as a test of the software and the process.
- These first reports identified 143 patients as ready for discharge from state mental health facilities and 283 residents as ready for discharge from state training centers.
- She noted that the Department has sent a memo to the state facilities about providing uniform information to CSBs.
- Several software changes have been made and will be sent to the CSBs as a patch by the end of March. The export button will have more information. A new print function will allow printing individual records and the output will look like the forms. Finally, there is a new list function, PRAIS number and name by quarter as an index function that can produce an actual waiting list.
- **Charline Davidson asked the Council to review the Comprehensive State Plan Guidance Package and be prepared to discuss the state plan at the Council's next meeting.**
- Jim Thur asked about the strategic plan component in the Comprehensive Plan, and suggested that would be a good topic for the Council to consider.
- Jim Thur suggested that, now that the new U.S. census figures are available, the Department should use them in the plan, for instance in projections of incidence and prevalence. The

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Commissioner agreed if the census figures are final.

### *Predischarge Planning*

- The Commissioner opined that the CSB system has been strengthened by the focus on state facility discharges and predischarge planning.
- He indicated that his August 25 memo on CSB and state facility responsibilities for state facility discharges was, in part, an educational effort. There is a legitimate DOJ/CRIPA risk for CSBs related to predischarge planning.
- He noted that 35 CSBs responded to the requirements in the memo, and the Department was working with the other five CSBs. He indicated that the Department had also received differential responses from the state facilities. The Commissioner expressed his appreciation for the thoughtfulness and work apparent in some of the responses.
- He suggested that the next step should be to consider all of this material and develop some standardized predischarge planning protocols and practices. He indicated that he did not want to make this into a huge project. He observed that there was a lot of expertise and knowledge about this across the system.
- The Commissioner proposed that a small work group be established to develop standardized predischarge planning protocols and practices, which should allow for resource and geographic differences but still provide a consistent platform for the public system's predischarge planning activities. He suggested that it would be helpful to reach statewide agreement on this by the end of the calendar year. This would be helpful for assuring some system continuity with the next Governor. The Council agreed to discuss the development of predischarge planning protocols further at its next meeting.

**NOTE:** Subsequent to this meeting, the VACSB/VALHSO Performance Contract Work Group agreed to include the following provisions in the SFY 2002 performance contract.

**5.3.3 Predischarge Planning:** The Board shall work directly or through representatives with the

Department to develop uniform statewide Predischarge Planning Protocols by December 1, 2001, which subsequently shall become part of this contract through an amendment as Attachment 5.3.3.

**9.9 Quality of Care:** The Department shall design and implement the POMS, referenced in sections 5.5.5 and 5.5.6. The Department shall work with the Board to develop the Community Care Protocols, referenced in section 5.5.8 of this contract. The Department shall work with the Board or its representatives to develop uniform statewide Predischarge Planning Protocols by December 1, 2001, which subsequently shall become part of this contract through a contract amendment.

**NOTE:** As a follow up to this action by the Performance Contract Work Group, the Department

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consulted with stakeholders and established a small work group to develop such protocols. The first meeting of that work group is scheduled for June 5, 2001. The work group includes the Executive Directors of the Cumberland Mountain, Hampton-Newport News, Hanover County, Harrisonburg-Rockingham, and Prince William County CSBs; the Directors of Central State Hospital and the Central Virginia Training Center; and Department staff from the Central Office.

- The Commissioner told the Council that he has had internal discussions about difficulties with current statutory provisions about predischarge planning and suggested that this may lead to some recommendations for Code changes.
- The Commissioner also informed the Council that the Department was beginning to conduct utilization reviews at the acute units at state hospitals.
- Larry Latham indicated that one of the biggest problems Central State Hospital is having, not just with Region 4 but statewide, is the logistics of getting all of the parties together for treatment team meetings. He noted that CSH was experiencing a 48 percent attendance rate. Geography and case management caseloads were cited as factors in the logistics problem.
- He suggested that maybe the Department could develop a master scheduling system on the Department web site for scheduling treatment team meetings. The Commissioner observed that the distribution of polycom capabilities to CSBs would also help.

### ***Update on Licensing and Human Rights***

- Julie Stanley noted that we are in one of the most intense periods of regulatory activity in some time. The development of the new Human Rights Regulations is concluding and the drafting of the new Licensing Regulations is beginning.
- She expressed great appreciation for the thoughtful and helpful comments on the Human Rights Regulations. The Department is reviewing the comments and considering possible revisions of the draft regulations. The final version will be presented to the State Board for adoption at its May meeting. After that, there will be a 30 day final review period and then the regulations will be promulgated.
- The new Licensing Regulations are being drafted now with the assistance of an external stakeholders work group, which met twice last calendar year. The exposure draft will be sent to the work group before its next meeting on April 4. There will be another work group meeting on April 18.
- The new Licensing Regulations will include PACT, community gero-psychiatric residential, and case management services for the first time.
- She noted that developing both sets of regulations at about the same time will promote appropriate consistency between them.

### ***Performance Contract***

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- Paul Gilding reported on the March 8 VACSB/VALHSO Performance Contract Work Group meeting. He noted that the meeting was very positive and productive.
- The Department received comments on the exposure draft of the contract from eight CSBs, the VACSB, and the Virginia Hospital and Healthcare Association.
- Ray Ratke indicated that the discussion about streamlining data requirements was very helpful. The escalating paperwork workload associated with the performance contract and reports and other accountability mechanisms was affecting the recruitment and retention of staff. He noted that, while the system needs to remain committed to appropriate levels of accountability, requirements need to be streamlined wherever possible.
- The Commissioner observed that the contract is reaching maturity on the House Bill 428 platform. The final Work Group meeting is scheduled on March 30, and the Department will distribute the final version of the contract to CSBs in mid to late April.

### ***Clinical Standardization***

- The Commissioner suggested considering this more fully at the next Council meeting. He noted that the Council had discussed pharmacy and predischARGE planning standardization already, and he urged looking at case management and transfers of consumers among CSBs as other areas that could benefit from some standardization.
- However, he cautioned the Council not to take on more than could be reasonably accomplished. He noted that if aftercare pharmacy and predischARGE planning could be addressed by the end of the calendar year, that would be a noteworthy accomplishment.

### ***General Discussion***

- Jim Thur raised the issue of the shortage of qualified staff, especially entry level staff for personal care positions, particularly in mental retardation services (e.g., nursing homes, in home care). He noted that this is becoming a major crisis in Northern Virginia.
- A second issue at the other end of the spectrum is the need for highly skilled, multi-lingual therapists, fluent not just in one language, but in three or four languages.
- Another concern involves finding qualified staff for children's services.
- A fourth concern continues to be Medicaid rates, which exacerbate the first three issues. However, even if the rates were raised, it might not solve these problems.
- Some CSBs may be on the verge of losing service capacity because of these issues.
- Other Council members concurred that these problems were or would become issues across the state. There was a consensus that money was not really the problem, it is that people increasingly do not want to provide personal care services, caring for people directly.



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- In some settings, long term employees are retiring, and new employees are taking those jobs only until something better is available. Programs are not able to hire dedicated career employees any more.
- The Commissioner suggested that a case could be made for revisiting Medicaid rates and indicated he would be willing to send a decision brief to the Secretary urging DMAS to do this.
- The Commissioner asked the Council to discuss and think about the workforce issues before its next meeting.
- Jim Thur indicated that Northern Virginia was using an outside consultant to look at manpower issues and should have a report within 45 days.

### ***Next Meeting***

- The Council's next meeting was originally scheduled on April 25 at 10:00 a.m. at the Hanover CSB. Subsequently, this date was changed to June 7, 2001.
- **Tentative Agenda for the next meeting**
  - Comprehensive State Plan Update, including the Ready for Discharge Data Base
  - Aftercare Pharmacy Study
  - Development of Statewide Predischarge Planning Protocols
  - Clinical Standardization
    - Predischarge Planning
    - Case Management
    - Aftercare Pharmacy
    - Transfers Among CSBs
  - Updates on the Human Rights and Licensing Regulations, the SFY 2002 Performance Contract, and POMS
  - Update on the Southern Virginia Regional Proposal
  - Medicaid Rates
  - Public Policy Discussion on Manpower Issues
  - Projection Methodology for Populations Statistics (using the new U.S. census figures) in the Comprehensive State Plan